



Interim Consolidated Financial Statements

**For the Three Months Ended
March 31, 2015 and 2014
(Unaudited)**

TVI Pacific Inc.
Unaudited Interim Consolidated Statement of Financial Position
March 31, 2015
(in Canadian dollars)



	March 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents (note 4)	\$ 998,041	\$ 1,066,073
Short-term deposits (note 4)	3,740,310	4,225,750
Derivative financial instrument (note 6)	339,323	372,087
Accounts receivable (note 5)	56,165	226,404
Notes receivable (note 6)	470,969	299,787
Due from related parties (note 7)	388,957	168,860
Prepaid expenses	78,729	78,720
Total current assets	6,072,494	6,437,681
Non-current assets:		
Investment in associates (note 8)	436,235	464,342
Investment in joint venture (note 9)	12,797,973	11,872,388
Total investments in associates and joint venture	13,234,208	12,336,730
Property and equipment	80,525	80,999
Exploration and evaluation assets (note 10)	2,789,807	2,721,219
Other assets (note 11)	242,865	242,614
Total non-current assets	16,347,405	15,381,562
Total assets	\$ 22,419,899	\$ 21,819,243
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 12)	\$ 180,514	\$ 234,856
Due to related parties (note 7)	69,184	70,035
Income tax payable	152,946	180,820
Total current liabilities	402,644	485,711
Deferred tax liability	643,494	591,366
Total liabilities	1,046,138	1,077,077
Equity attributable to shareholders of the Company:		
Share capital (note 13b)	32,972,145	32,972,145
Contributed surplus (note 13d)	6,627,315	6,546,839
Deficit	(16,235,029)	(15,483,520)
Translation reserves	(1,990,670)	(3,293,298)
Total equity	21,373,761	20,742,166
Total liabilities and equity	\$ 22,419,899	\$ 21,819,243

Commitment (note 19)
Subsequent events (note 20)

The accompanying notes are an integral part of these interim consolidated financial statements.

On behalf of the Board:

"Clifford M. James"
Clifford M. James, Director

"C. Brian Cramm"
C. Brian Cramm, Director

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Comprehensive Income (Loss)
March 31, 2015 and 2014
(in Canadian dollars)



	Three months ended March 31	
	2015	2014
Expenses:		
Exploration costs	\$ 84,055	\$ -
Depreciation expense	5,318	6,525
Administrative and general costs (note 16)	563,557	833,968
Total expenses	652,930	840,493
Operating loss	(652,930)	(840,493)
Other income (expenses):		
Interest income (note 6)	111,743	13,516
Foreign exchange gain (note 18)	242,225	382,495
Other losses	(79,493)	(22,283)
Share of loss of associates and joint venture (notes 8,9)	(373,054)	(1,093,853)
Other expenses, net	(98,579)	(720,125)
Net loss	(751,509)	(1,560,618)
Other comprehensive income:		
Items to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation adjustment – foreign operations	32,096	106,958
Foreign currency translation adjustment – associates and joint venture	1,270,532	89,929
Comprehensive income (loss)	\$ 551,119	\$ (1,363,731)
Basic and diluted loss per share (note 14)	\$ (0.001)	\$ (0.002)
Weighted average number of common shares (note 14)	655,470,372	655,470,372

The accompanying notes are an integral part of these interim consolidated financial statements.

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Changes to Equity
March 31, 2015 and 2014
(in Canadian dollars)

	Share capital (Note 13b)	Contributed surplus (Note 13d)	Retained earnings (deficit)	Translation reserve	Total equity
January 1, 2015	\$ 32,972,145	\$ 6,546,839	\$ (15,483,520)	\$ (3,293,298)	\$ 20,742,166
Transactions with owners					
Stock-based compensation	-	80,476	-	-	80,476
Transactions with owners	-	80,476	-	-	80,476
Comprehensive income (loss)					
Net loss	-	-	(751,509)	-	(751,509)
Other comprehensive income:					
Foreign currency translation adjustment	-	-	-	1,302,628	1,302,628
Total comprehensive income (loss)	-	-	(751,509)	1,302,628	551,119
March 31, 2015	\$ 32,972,145	\$ 6,627,315	\$ (16,235,029)	\$ (1,990,670)	\$ 21,373,761
January 1, 2014	\$ 32,972,145	\$ 6,333,382	\$ (9,453,379)	\$ (4,366,656)	\$ 25,485,492
Transactions with owners					
Stock-based compensation	-	18,551	-	-	18,551
Transactions with owners	-	18,551	-	-	18,551
Comprehensive income (loss)					
Net loss	-	-	(1,560,618)	-	(1,560,618)
Other comprehensive income:					
Foreign currency translation adjustment	-	-	-	196,887	196,887
Total comprehensive income (loss)	-	-	(1,560,618)	196,887	(1,363,731)
March 31, 2014	\$ 32,972,145	\$ 6,351,933	\$ (11,013,997)	\$ (4,169,769)	\$ 24,140,312

The accompanying notes are an integral part of these interim consolidated financial statements.

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Cash Flows
March 31, 2015 and 2014
(in Canadian dollars)

	Three months ended March 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before income tax	\$ (751,509)	\$ (1,560,618)
Adjustments for:		
Depreciation	5,318	6,525
Stock based compensation (note 13d)	80,476	18,551
Interest income	(111,743)	(13,516)
Unrealized foreign exchange gain	(229,402)	(335,713)
Other losses	79,493	-
Share of loss of associates and joint venture (notes 8, 9)	373,054	1,093,853
Changes in working capital (note 17)	(143,783)	(1,152,770)
Interest received	1,895	264
Net income taxes refunded	26,130	-
Net cash used in operating activities	(670,071)	(1,943,424)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in restricted cash	-	37,247
Change in short-term deposits	702,071	-
Change in notes receivable	(98,250)	-
Expenditure on investment in associates	-	(283,971)
Expenditures on property and equipment, mining claims and deferred exploration costs and other assets	(4,831)	-
Net increase in cash due to deconsolidation of subsidiaries	-	1,676,682
Net cash generated from investing activities	598,990	1,429,958
Effect of foreign exchange rates on cash	3,049	1,059
Net decrease in cash and cash equivalents	(68,032)	(512,407)
Cash and cash equivalents at beginning of the period	1,066,073	2,362,952
Cash and cash equivalents at end of the period	\$ 998,041	\$ 1,850,545

The accompanying notes are an integral part of these interim consolidated financial statements.

1. Corporate information and nature of operations:

TVI Pacific Inc. ("TVI") is a publicly listed resource company incorporated in Alberta, Canada on January 12, 1987 under the Alberta Business Corporations Act and its shares are listed on the Toronto Stock Exchange. TVI, through its subsidiaries and investment in associates and joint ventures (together referred to as the "Company"), is focused on the production, development, exploration, and acquisition of resource projects in Southeast Asia. TVI is the ultimate parent company that is a direct or indirect participant in several joint venture projects in the Philippines, Papua New Guinea and Fiji, and also has an interest in an offshore Philippine oil property.

TVI holds a 30.66% interest in TVI Resource Development Phils., Inc. ("TVIRD"). TVIRD's assets include the Canatuan project, the Balabag gold-silver project, a 60% interest in the Agata nickel laterite project and DSO operations and various interests in the Agata processing project and exploration properties in the Philippines. At March 31, 2015, TVI also holds a 20.06% equity interest in Foyson Resources Limited ("Foyson") (see note 20), an Australian company engaged in the commercialization of technologies related to plastics and biomass to fuel and energy conversion and the construction of a waste plastics-to-diesel conversion plant in Australia; as well as a 14.4% equity interest in Mindoro Resources Ltd. ("Mindoro"), a Canadian company engaged in mining and exploration in the Philippines. TVI also participates in the business of international petroleum exploration and development through its 100% owned subsidiary, TG World Energy Corp. ("TG World") whose major area of focus is in the Philippines, through its affiliate TG World (BVI) Corp. ("TG BVI"). On July 25, 2014, TVI earned its 10% earned interest in the Amazon Bay Iron Sands project in Papua New Guinea.

TVI has established its principal business address at Suite 806, 505 2nd St. SW Calgary, Alberta, Canada T2P 1N8.

These interim consolidated financial statements were authorized for issue by the Board of Directors on May 13, 2015.

2. Basis of preparation:

These unaudited interim consolidated financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These interim financial statements do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014 filed with the Canadian Securities Administrators.

These interim financial statements are presented in Canadian Dollars which is the functional and reporting currency of TVI.

(a) Changes in accounting policies

These interim financial statements follow the same accounting policies and methods of application as the audited consolidated financial statements for the year ended December 31, 2014. There are no new IFRSs or IFRIC interpretations that are effective for the period beginning January 1, 2015 that would be expected to have a material impact to the Company.

2. Basis of preparation (continued):

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2015

IFRS 9, "Financial Instruments" replaces existing requirements included in IAS 39, "Financial Instruments - Recognition and Measurement". The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is assessing the full impact of IFRS 9.

IFRS 15, "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

There are no other new standards, amendments and interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. Financial risk management:

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, and fair value interest rate risk), liquidity risk, and credit risk.

The interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with the TVI's financial statements as at December 31, 2014.

a) Market Risk

(i) Currency risk

For the three months ended March 31, 2015, the pro forma impact on net income (loss) if the US Dollar moved by 10% against the Canadian Dollar, with all other variables held constant, would be \$266,555. The pro-forma impact on net income (loss) of other currencies with all other variables held constant is not material for disclosure.

The following significant exchange rates applied during the current year and prior year:

	Average rate		Spot rate	
	Three months ended	Year ended	March 31, 2015	December 31, 2014
	March 31, 2015	December 31, 2014		
Canadian Dollar/US Dollar	1.2412	1.1045	1.2683	1.1601
Canadian Dollar/ Philippine Peso	0.0279	0.0249	0.0283	0.0260

3. Financial risk management (continued):

b) Interest rate risk

The Company has exposure to fair value interest rate risk since its note receivable and short-term deposits have fixed interest terms, regardless of changes in market conditions. The Company reviews its exposure to interest rate risk through regular monitoring of actual interest rates with market interest rates.

c) Liquidity risk

As at March 31, 2015, the Company has \$5.7 million available working capital surplus, as compared to a working capital surplus of \$6.0 million at December 31, 2014.

The table below summarizes the Company's financial liabilities by relevant maturity groupings based on contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is considered not significant.

	March 31, 2015	December 31, 2014
Due within 12 months:		
Accounts payable and accrued liabilities	\$ 180,514	\$ 234,856
Due to related parties	69,184	70,035
Income tax payable	152,946	180,820
	\$ 402,644	\$ 485,711

Note 12 includes a further breakdown and explanation of accounts payable and accrued liabilities.

d) Credit risk

The following are the components and aging of the accounts receivable:

	March 31, 2015	December 31, 2014
Tax refund	35%	34%
Advances to employees	41%	9%
Receivable from former non-controlling interest	-	48%
Other receivables	24%	9%
	100%	100%

	March 31, 2015	December 31, 2014
Neither past due nor impaired	\$ 39,777	\$ 39,208
Past due over 6 months but not impaired	16,388	187,196
	\$ 56,165	\$ 226,404

Note 5 includes a further breakdown and explanation of accounts receivable. The past due receivable as at March 31, 2015 includes advances to employees that are more than 6 months while the past due receivable as at December 31, 2014 included the receivable from former non-controlling interest that was subsequently collected in February 2015.

The carrying amounts of cash and cash equivalents, short-term deposits, accounts receivable, notes receivable and due from related parties at March 31, 2015 and December 31, 2014 represent the Company's maximum credit risk exposure.

e) Fair value measurements recognized in the statement of financial position

The analysis of financial instruments that are measured subsequent to initial recognition at fair value can be classified into Levels 1 to 3 based on the degree to which fair value is observable.

- *Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.*

3. Financial risk management (continued):

- *Level 2 – fair value measurements are those derived from inputs other than quote prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).*
- *Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).*

The fair values disclosed for the Company's equity accounted investments in Foyson and Mindoro (note 8) fall under Level 1, while the non-recurring fair value disclosed for the exploration and evaluation assets (note 10) and derivative financial instrument (note 6) were classified under Level 3.

During the three months ended March 31, 2015, there were no transfers between levels in the fair value hierarchy of any fair value measurements. There were no changes in valuation techniques during the three months ended March 31, 2015.

The carrying value of the Company's financial assets and liabilities consisting of cash and cash equivalents, short-term deposits, accounts receivable, note receivable, due from and to related parties and accounts payable and accrued liabilities, approximate their fair values at March 31, 2015 and December 31, 2014 due to their short term nature.

f) *Capital risk management*

The Company monitors capital on the basis of the debt-to-equity ratio and the debt-to-assets ratio.

Debt is composed of accounts payable and accrued liabilities and due to related parties. Equity comprises all components of equity other than amounts in accumulated other comprehensive income. Assets are defined as the Company's total current and non-current assets. The Company's strategy is to improve the debt to equity ratio in order to secure access to financing at a reasonable cost by maintaining a good credit rating.

	March 31, 2015	December 31, 2014
Debt	\$ 249,698	\$ 304,891
Equity	23,364,431	24,035,464
Assets	22,419,899	21,819,243
Debt-to-equity	1%	1%
Debt-to-assets	1%	1%

4. Cash and cash equivalents and short-term deposits:

Cash and cash equivalents and short-term deposits consist of:

	March 31, 2015	December 31, 2014
Cash on hand	\$ 383	\$ 359
Cash in banks	997,658	1,065,714
Total cash on hand and in banks	998,041	1,066,073
Short-term deposits	3,740,310	4,225,750
	\$ 4,738,351	\$ 5,291,823

Cash in banks and short-term deposits earn interest at the prevailing bank deposit rates. The carrying amounts of cash and cash equivalents approximate their fair value.

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Cash Flows
March 31, 2015 and 2014
(in Canadian dollars)

4. Cash and cash equivalents and short-term deposits (continued):

Cash and cash equivalents and short-term deposits are denominated in the following currencies (Canadian Dollar equivalents):

	March 31, 2015	December 31, 2014
Canadian Dollars	\$ 1,705,890	\$ 2,632,881
US Dollars	2,683,381	2,576,975
Philippine Pesos	349,080	81,967
	\$ 4,738,351	\$ 5,291,823

Cash and cash equivalents and short-term deposits are held in the following countries:

	March 31, 2015	December 31, 2014
Canada	\$ 4,368,702	\$ 5,181,801
Philippines	367,047	107,643
Others	2,602	2,379
	\$ 4,738,351	\$ 5,291,823

5. Accounts receivable:

Accounts receivable consists of:

	March 31, 2015	December 31, 2014
Tax recoverable	\$ 19,590	\$ 76,618
Advances to employees	23,065	20,767
Receivable from former non-controlling interest	-	109,113
Other receivables	13,510	19,906
	\$ 56,165	\$ 226,404

The receivable from former non-controlling interest of \$109,113 as at December 31, 2014 was fully collected during the period ended March 31, 2015.

6. Notes receivable:

(a) Note receivable from Foyson

Pursuant to the heads of agreement ("HOA") with Foyson in 2012, TVI has an outstanding note receivable from Foyson in the amount of A\$400,000 as at December 31, 2014. In October 2014, TVI and Foyson agreed to extend the due date of the loan to March 31, 2015, and to be provided the option to convert the loan to equity at any time prior to that date. Effective October 15, 2014, the total principal of the loan outstanding was agreed to be subject to 8% per annum interest, until converted or repaid. On February 23, 2015, the Company formalized a Conversion Agreement with Foyson whereby the loan principal of A\$400,000 can be converted to equity at A\$0.0025 per share while accrued interest will be paid in cash at the time the loan principal is either converted or repaid.

The conversion option was approved by the shareholders of Foyson on March 31, 2015, and each share received at the time of conversion would also receive one option per share that may be exercised at a conversion price of A\$0.008 at any time through to their expiry on December 31, 2019. ASX rules require that the conversion of the principal be spread over a period of time, but is expected to be fully complete through 2015 (see note 20).

The Company entered into a Capital Promissory Note Agreement on February 18, 2015, with Foyson through which it provided a further A\$100,000 (\$98,250) that shall accrue interest at 12% per annum until the earlier of conversion date or maturity date. The maturity date is May 15, 2015, but the Note may be converted at any time prior at a conversion price of A\$0.0029 to Foyson shares, at which time one option per share would also be received that may be exercised at a conversion price of A\$0.008 at any time

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6. Notes receivable (continued):

through to their expiry on December 31, 2019. The conversion feature of the Note has been approved by the shareholders on March 31, 2015.

The option to convert the loan into shares is accounted for as a derivative instrument and was separately accounted for at fair value. The fair value of the conversion options presented as derivative financial instruments and the carrying amount of the notes receivable accreted using the effective interest method, plus accrued interest, are as follows:

	March 31, 2015	December 31, 2014
Derivative financial instruments:		
A\$400,000 loan	\$ 289,989	\$ 372,087
A\$100,000 loan	49,334	-
	339,323	372,087
Notes receivable:		
A\$400,000 loan	404,162	299,787
A\$100,000 loan	66,807	-
	\$ 470,969	\$ 299,787

The Company recognized a loss on the fair value of the derivative financial instrument amounting to \$75,661 recorded in other losses in the statement of comprehensive income, while the interest income from the note receivable was \$104,114 during the three months ended March 31, 2015. The rest of the interest income is attributable to cash and short term deposits. The following assumptions were used by the Company to estimate the fair value of option obtained during the period at the inception date and reporting date:

	A\$400,000 loan March 31, 2015	A\$100,000 loan February 18, 2015	A\$100,000 loan March 31, 2015
Risk free interest rate – average	4%	4%	4%
Current share price	A\$0.003	A\$0.002	A\$0.003
Expected volatility	327%	350%	369%

All previous options provided to TVI by Foyson have expired (see note 20).

7. Related party transactions:

The interim consolidated financial statements include the financial statements of TVI and the following subsidiaries, affiliates, associates and joint venture:

	Country of Incorporation	% Equity interest (Direct and Indirect)	
		March 31, 2015	December 31, 2014
Subsidiaries of TVI:			
TVI Limited	Anguilla	100%	100%
TG World	Canada	100%	100%
TVI Asia-Pacific Resources Corp.	Philippines	100%	-
Affiliates:			
TVI International Marketing Limited	Hong Kong	100%	100%
TVI Minerals Processing Inc.	Philippines	96%	100%
TG World (BVI) Corp.	British Virgin Islands	100%	100%
TG World Petroleum Limited	Bahamas	100%	100%
TG World Energy Inc.	United States	100%	100%
Associates/Joint Venture:			
TVIRD and affiliates	Philippines	30.66%	30.66%
Foyson (see note 20)	Australia	20.06%	20.06%
Mindoro	Canada	14.4%	14.4%

7. Related party transactions (continued):

Transactions with related parties are entered into at the exchange amounts which are the amounts established and agreed to by the parties:

(a) Due from related parties

During the three months ended March 31, 2015, the Company had incurred management fees of \$74,349 (March 31, 2014- \$326,175). Management fees are paid to a corporation owned by the President of the Company for the services of the President, travel costs and support staff. During the three months ended March 31, 2015, the Company made advanced payments and at March 31, 2015, the amount receivable from the corporation was \$153,966 which formed part of the due from related parties in the statement of financial position (December 31, 2014 – \$147,305).

At March 31, 2015, the Company's remaining receivable from the joint ventures in the Philippines was \$234,991 (December 31, 2014 - \$21,555), presented as part of due from related parties in the statement of financial position and relating to services provided by TVI Pacific to the joint ventures.

(b) Due to related parties

During the three months ended March 31, 2015, the Company incurred directors fees of \$48,938 (March 31, 2014- \$57,938). At March 31, 2015, the fees payable to directors were \$48,938 which formed part of the due to related parties in the statement of financial position (December 31, 2014 – \$47,938).

During the three months ended March 31, 2015, the Company incurred \$64,293 (December 31, 2014 – \$152,269) to a corporation controlled by a director and officer of TVIRD for administrative expenses. The Company owed the corporation \$15,321 at March 31, 2015 which formed part of the due to related parties in the statement of financial position (December 31, 2014 – \$12,786).

At March 31, 2015, the Company's remaining payable to the joint ventures in the Philippines was \$4,925 (December 31, 2014 - \$9,311), presented as part of due to related parties in the statement of financial position.

(c) Other related party transactions

During the year ended December 31, 2014, the note receivable of \$381,802 from Mindoro was settled. Half of the notes receivable from Foyson (A\$300,000) was also settled and an additional loan of A\$100,000 was issued by the Company each in May 2014 and February 2015 (note 6). The carrying amount of outstanding notes receivable from Foyson was \$470,969 as at March 31, 2015 (December 31, 2014 - \$299,787).

On December 12, 2014, TVIRD provided a bridge loan to Mindoro in the amount of \$500,000 on which an annual interest rate of 8% shall fully apply on any unpaid portion until the earlier of the maturity date of January 31, 2015 or upon receipt of the proceeds from a proposed convertible debenture offering by Mindoro. On January 29, 2015, TVIRD agreed to an extension of the repayment date for the \$500,000 bridge loan provided to Mindoro on December 12, 2014. The repayment date was extended to February 28, 2015, from January 31, 2015, while interest shall continue to accrue at 8% per annum on the total loan balance and the loan continues to be payable at the earlier of the revised repayment date or upon receipt of the proceeds from the proposed convertible debenture offering by Mindoro. On February 27, 2015, the repayment date was further extended to April 15, 2015, and on April 15, 2015 further extended again to May 15, 2015.

TVI's interest in joint venture, TVIRD, has also entered into a management contract with the corporation owned by the President of TVI for the services of the President starting January 1, 2014. As a result, a portion of the fees previously paid by TVI to the President were reimbursed by the corporation back to TVI for the period January 1, 2014 through July 31, 2014, and the cost of ongoing services previously charged directly to TVI have been reduced. At March 31, 2015, the amount payable by TVIRD amounted to \$25,919.

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(in Canadian dollars)

8. Investment in associates:

The following are the associates of the Company as at March 31, 2015:

	Foyson	Mindoro	Total
January 1, 2014	\$ 808,639	\$ 439,811	\$ 1,248,450
Additional investment	592,371	-	592,371
Share of net loss	(1,077,620)	(449,216)	(1,526,836)
Share of other comprehensive income	140,952	9,405	150,357
December 31, 2014	\$ 464,342	\$ -	\$ 464,342
Share of net loss	(44,526)	-	(44,526)
Share of other comprehensive income	16,419	-	16,419
March 31, 2015	\$ 436,235	\$ -	\$ 436,235

The Company has determined that it has significant influence by virtue of its representation on the Board of Directors of the associates and various other contractual terms.

As at March 31, 2015, the fair values of the investments in Foyson and Mindoro which have been calculated based on the number of shares held by the Company multiplied by share price of each associate at March 31, 2015, were \$611,633 and \$855,587, respectively. The total unrecognized proportionate share of net losses of Mindoro during the period ended March 31, 2015 and cumulatively, amounted to \$561,744 and \$1,679,253, respectively.

(a) Investment in Foyson

Foyson is a publicly listed company incorporated in Australia, with shares listed on the Australian Securities Exchange (ASX). Its annual reporting period ends at June 30.

As at March 31, 2015, TVI held 210,857,143 shares in Foyson, representing 20.06% of Foyson's issued capital (see note 20).

The Company's share of Foyson's result of operations, assets and liabilities are as follows:

	March 31, 2015	December 31, 2014
Share of revenue	\$ -	\$ -
Share of comprehensive loss	(28,107)	(936,668)
Share of total current assets	48,355	37,433
Share of total assets	3,186,784	3,092,113
Share of total current liabilities	290,153	212,148
Share of total liabilities	290,153	212,148

(b) Investment in Mindoro

Mindoro is a publicly listed company incorporated in Canada with shares listed on the TSX Venture Exchange and Frankfurt Stock Exchange. Its annual reporting period ends at December 31.

As at March 31, 2015, TVI owns 42,779,353 units of Mindoro, representing approximately 14.4% holding in the capital of Mindoro. Each unit consists of one common share and one common share purchase warrant that entitles TVI to purchase one additional share, at a price of \$0.10 per share. The 18,779,353 units can be exercised at any time and from time to time until September 28, 2017, while the other 24 million units can be exercised until October 10, 2017. Assuming the exercise of all of the warrants acquired, TVI would hold 85,558,706 shares, representing approximately 25.2% in the capital of Mindoro.

(c) Commitments in respect of associates

On August 28, 2012, TVI signed the following agreements relating to the following joint venture projects contemplated by the HOA with Foyson:

- i) Amazon Bay Iron Sands Project ("AB") – (i) TVI committed to a minimum expenditure of A\$2 million in the 12 months following the later of the date on which all applicable joint venture conditions are

8. Investment in associates (continued):

satisfied and the date of the Tranche 1 Closing; (ii) TVI agreed to refund Foyson for any expenditures incurred on AB since July 1, 2012, to a maximum of A\$200,000 creditable against TVI's spending commitments; (iii) TVI would earn a 10% interest in AB as a result of initial expenditure; (iv) TVI would have the right to earn a further 20% in AB by spending an additional A\$5.5 million within 12 months following the expiration of the initial earning period; (v) during the two earning periods and up to the end of the second earning period, TVI and Foyson may, at TVI's expense, carry out a feasibility study of a DSO operation. If a DSO project is determined to be feasible, TVI would have the right to undertake the development to earn a 51% interest in the DSO project area. TVI was also provided the option to advance \$10 million to Foyson to acquire the remaining 50% in AB held by Titan Mines.

Of the amount of the total spending commitment in relation to the joint venture arrangements with Foyson, the Company has incurred a total of \$1,985,834 (equivalent A\$2 million) for the Amazon Bay project. On July 25, 2014, its 10% earned interest in the Amazon Bay tenement was formally registered with the PNG MRA after having been earlier approved by the Minister for Mining on June 5, 2014. The net amount of \$1,985,834 is presented as exploration and evaluation assets in the consolidated financial statements as at March 31, 2015 (note 10).

On July 25, 2014, TVI provided notice to Foyson of its intent to not proceed with the Stage 2 farm-in of Amazon Bay.

On March 11, 2015, Foyson and TVI entered into a Royalty Agreement with third parties, with respect to Amazon Bay, whereby Foyson and TVI shall be responsible to pay their proportionate share of a royalty on all minerals extracted and concentrate produced from Amazon Bay and sold. The royalty is set at 0.5% of gross revenue less all costs incurred in connection with shipping or transporting the respective minerals or concentrate from the port of loading to the point of delivery to the purchaser.

- ii) New Ireland Gold/Copper ("NI") and Massau and Tanga Islands ("MTI") - (i) TVI committed to spend A\$100,000 for each project, within nine months of the granting of the tenements; and (ii) such expenditure would earn TVI the right to match any third party offer to farm into NI or MTI, received during the year of the expenditure by TVI or during the 12 months following the finalization of the information memorandum on NI or MTI.

9. Investment in joint venture:

	March 31, 2015	
Investment in joint venture at January 1, 2014	\$	10,675,596
Share of net loss		(88,294)
Share of other comprehensive income		1,285,086
Investment in joint venture at December 31, 2014		11,872,388
Share of net loss		(328,528)
Share of other comprehensive income		1,254,113
Investment in joint venture at March 31, 2015	\$	12,797,973

The Company's share of the joint venture's result of operations, assets and liabilities for the three months ended March 31, 2015 are as follows:

	March 31, 2015		December 31, 2014	
Share of revenue	\$	1,108,120	\$	5,888,238
Share of comprehensive income		925,585		1,196,792
Share of total current assets		7,975,958		8,138,973
Share of total assets		23,603,676		20,650,825
Share of total current liabilities		4,857,162		4,239,965
Share of total liabilities		8,416,022		6,125,186

9. Investment in joint venture (continued):

TVI continues to hold 30.66% of the issued and outstanding shares of TVIRD (through TVI Marketing). TVIRD remains the operator of the Agata and Pan de Azucar joint ventures.

(a) Commitments in respect of joint venture

Pursuant to the HOA, TVI and its investment in joint venture, TVIRD, entered into various joint venture arrangements with Mindoro (and its affiliates) on September 25, 2012 with respect to the following:

- i) Agata Mining Option and Joint Venture - TVIRD has an option to earn a 60% interest in the Agata Mining Joint Venture upon commencement of commercial production subject to (i) TVIRD having expended a minimum of \$2 million within 12 months of the date of the agreement, and (ii) commercial production at Agata having commenced within 3 years of the date of the agreement.

Under this agreement, TVIRD is required to fund all expenditures associated with the establishment of a mining operation.

In October 2014, Agata launched operations and commenced loading its first shipment of limonite high-iron/low nickel direct shipping ore produced from the Agata project in the Philippines which was completed on October 23, 2014. As such, TVIRD met the conditions described above and fully earned its 60% interest in the Agata Mining Joint Venture in October 2014.

- ii) Agata Processing Option and Joint Venture - TVIRD has the right to earn a 60% interest in the Agata Processing Joint Venture upon delivery of a definitive feasibility study with respect to nickel processing at Agata, subject to TVIRD having expended a minimum of \$2 million within 12 months of the date of the agreement and completing the definitive feasibility study within 4 years of the date of the agreement. Under this agreement, TVIRD is required to fund all required expenditures associated with the preparation of the definitive feasibility study.

As of December 31, 2014, TVIRD has completed its minimum expenditure requirement and has earned 45% of shares in Agata Processing Joint Venture, which remain in escrow as at March 31, 2015, until it completes a definitive feasibility study.

- iii) Pan de Azucar ("PDA") Mining Option and Joint Venture - TVIRD has an option to earn a 60% interest in the PDA Mining Joint Venture by: (i) making minimum aggregate expenditures of \$2 million in respect of the PDA mining project prior to the first anniversary of the date that a declaration of mining project feasibility is issued in respect of that project (the "Feasibility Declaration Date"); and (ii) solely funding the PDA mining project to the point of commercial production, provided commercial production is achieved on or prior to the third anniversary of the Feasibility Declaration Date. PDA Mining Option and Joint Venture Agreement initially contemplated that TVIRD would make expenditures in respect of the PDA mining project in an aggregate amount of not less than \$500,000, prior to the date that is 12 months following the date of that agreement, as TVIRD considers appropriate in its discretion, with any such expenditures being creditable against the \$2 million of aggregate expenditures noted above.
- iv) PDA Processing Option and Joint Venture - TVIRD has the right to earn up to a 60% interest in the PDA Processing Joint Venture in two stages as follows: (i) a 51% interest, by making minimum aggregate expenditures of \$2 million in respect of the PDA processing project on or prior to the first anniversary of the date that a declaration of mining project feasibility is issued in respect of the processing project (the "Processing Declaration Date"); and (ii) a 9% interest by making additional minimum aggregate expenditures of \$3 million in respect of the processing project on or prior to the fourth anniversary of the Processing Declaration Date. Original terms of the PDA Processing Option and Joint Venture Agreement initially contemplated that TVIRD would make expenditures in an aggregate amount of not less than \$500,000, prior to the date that is 12 months following the date of that agreement, as TVIRD considers appropriate in its discretion, with any such expenditures being creditable against the \$2 million of aggregate expenditures noted above.

9. Investment in joint venture (continued):

On June 18, 2013, TVI and Mindoro agreed to amend some terms of the original joint venture agreements. It was agreed that TVIRD's contributions to the joint ventures would be for shares in the applicable joint venture, rather than as paid in capital, with such shares to be issued as earned and placed in escrow until TVIRD's full 60% interest is earned. TVIRD's minimum spending commitments pursuant to the Pan de Azucar Joint Venture agreements were also extended at that time by one year, from December 31, 2013 to December 31, 2014. As at March 31, 2015, however, the minimum spending commitments had not been met. TVIRD requested in December 2014 to file an extension of the exploration period with the MGB and as at the current reporting date, both the request to extend the exploration period and the assignment of the MPSA from Minimax to the PDA joint ventures continue to be pending.

10. Exploration and evaluation assets:

The carrying amount and the related movement of the exploration and evaluation assets are as follows:

	March 31, 2015	December 31, 2014
Beginning balance	\$ 2,721,219	\$ 1,882,078
Addition (note 8c)	-	1,985,834
Foreign currency translation	68,588	170,760
Impairment loss	-	(1,317,453)
Ending Balance	\$ 2,789,807	\$ 2,721,219

The balance at March 31, 2015 consists of petroleum and natural gas properties located in the Philippines and the Company's 10% interest in the Amazon Bay tenement.

Philippines

TG World holds a 12.5% working interest in Service Contract 54A ("SC 54A") in the Philippines. SC 54A is situated offshore west of the Palawan islands. The project operator is Nido Petroleum Limited of Perth, Australia ("Nido") who owns a 42.4% working interest in the project.

During the year ended December 31, 2014, the Company recorded a provision for impairment of the exploration and evaluation assets amounting to \$1,317,453. The estimated fair value of the Company's working interest in SC54A was \$803,973 as at March 31, 2015.

As at March 31, 2015, the partners were re-evaluating the opportunities and considering various options under the service contract.

11. Other assets:

Other assets is composed of:

	March 31, 2015	December 31, 2014
Option to purchase TVIRD shares	\$ 232,020	\$ 232,020
Others	10,845	10,594
	\$ 242,865	\$ 242,614

During the year ended December 31, 2014, TVI paid \$232,020 as down-payment on an option to acquire the remaining Class B shares of TVIRD held by a non-controlling interest holder, representing a 0.92% interest in TVIRD, upon execution of TVIRD's listing on the Philippine Stock Exchange within an agreed time. The total net purchase price is expected to be US\$500,000, including the down-payment, plus 10% of a function of the share price following the listing. Upon exercising its interest to acquire the remaining interest, TVI will have a 31.58% interest in TVIRD.

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12. Accounts payable and accrued liabilities:

Account consists of the following:

	March 31, 2015	December 31, 2014
Trade payables	\$ 83,565	\$ 72,349
Deferred revenue	-	3,981
Other accrued expenses	96,949	158,526
	\$ 180,514	\$ 234,856

Accrued expenses include accruals of personnel expenses, consultancy and other professional fees.

13. Share capital:

(a) Authorized

Unlimited common voting shares without nominal or par value.

Unlimited preferred non-voting shares without nominal or par value, issuable in series, none of which have been issued.

(b) Issued and fully paid

The total number of common shares since January 1, 2014 up to March 31, 2015 was 655,470,372 in the amount of \$32,972,145.

(c) Share options

The Company has a share option plan pursuant to which options may be granted to directors, officers, and employees of the Company. The options generally vest over a period of up to three years and expire no more than 5 years from the date of grant.

In February 2015, June 2014 and October 2014, the Company granted share options to officers of the Company.

	Three months ended March 31, 2015		Year ended December 31, 2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	45,850,000	\$ 0.021	50,220,275	\$ 0.046
Issued	500,000	0.020	33,500,000	0.015
Forfeited	-	-	(500,000)	0.018
Expired	-	-	(37,370,275)	0.049
Options outstanding, end of period	46,350,000	\$ 0.021	45,850,000	\$ 0.021
Options exercisable, end of period	9,166,666	\$ 0.039	9,166,666	\$ 0.039

Price range	Number outstanding	Weighted average remaining contractual life (years)	Number Exercisable
\$ 0.015 – 0.022	32,600,000	4.21	-
0.023 – 0.033	11,750,000	2.68	7,166,666
0.051 – 0.075	2,000,000	1.15	2,000,000
\$ 0.015 – 0.075	46,350,000	3.69	9,166,666

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13. Share capital (continued):

The fair value of share options granted during the year ended March 31, 2015 was \$0.019 per share (December 31, 2014 - \$0.014 per share). The following table sets out the assumptions used by the Company to estimate the fair value of awards granted during the period:

	Three months ended March 31, 2015	Year ended December 31, 2014
Risk free interest rate – average	0.57%	1.31%
Expected life (in years)	5	5
Expected volatility	165.04%	157.98%
Estimated forfeiture rate	7%	10%

(d) Stock-based compensation and contributed surplus

During the period ended March 31, 2015, a net of \$80,476 (2014 - \$18,551) of stock-based compensation was charged to the consolidated statement of comprehensive income.

	Three months ended March 31, 2015	Year ended December 31, 2014
Contributed surplus, beginning of period	\$ 6,546,839	\$ 6,333,382
Stock-based compensation	80,476	215,464
Options forfeited	-	(2,007)
Contributed surplus, end of period	\$ 6,627,315	\$ 6,546,839

14. Per share data:

	Three months ended March 31, 2015	Three months ended March 31, 2014
Net loss	\$ (751,509)	\$ (1,560,618)
Weighted average number of shares, basic and diluted	655,470,372	655,470,372
Net loss per share, basic and diluted	(0.001)	(0.002)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares consisting of share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

15. Segmented information:

The Company's revenue from mining, extraction, production and selling of metal concentrates to an external client is indirectly recognized within the Company's investment in joint venture, through the application of the equity method. The Company's segmented information is reported in the same way as internal reporting provided to TVI's executive management to make decisions about resource allocation and performance assessment of the operating segments.

The Company has three reporting segments:

- mining exploration in Fiji and investments in associates and joint venture with mining activities in the Philippines and Papua New Guinea; and
- petroleum exploration in the Philippines

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15. Segmented information (continued):

The Company's corporate segment does not earn revenue and incurs expenses that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment as defined in IFRS 8, *Operating Segments*.

Geographic information:

	Revenues		Property and equipment and exploration and evaluation assets	
	For three months ended March 31, 2015	For three months ended March 31, 2014	March 31, 2015	December 31, 2014
Philippines	\$ -	\$ -	\$ 803,973	\$ 735,385
Papua New Guinea	-	-	1,985,834	1,985,834
Canada	-	-	80,525	80,999
	\$ -	\$ -	\$ 2,870,332	\$ 2,802,218

Mining segment's operating results in the table below include TVI's 30.66% interest in the Philippine joint venture entities whose summarized financial information is presented in note 9, interest in Foyson and Mindoro (note 8), as well as the exploration costs incurred in Fiji.

15. Segmented information (continued):

	Three months ended March 31, 2015				Three months ended March 31, 2014			
	Mining	Petroleum Exploration	Corporate	Total	Mining	Petroleum Exploration	Corporate	Total
Operating expenses	\$ -	\$ (23,866)	\$ (539,691)	\$ (563,557)	\$ (14,054)	\$ (185,582)	\$ (634,332)	\$ (833,968)
Exploration costs	(84,055)	-	-	(84,055)	-	-	-	-
Depreciation expense	-	(368)	(4,950)	(5,318)	-	(478)	(6,047)	(6,525)
	(84,055)	(24,234)	(544,641)	(652,930)	(14,054)	(186,060)	(640,379)	(840,493)
Interest income	-	1,875	109,868	111,743	22	12	13,482	13,516
Foreign exchange gains (loss)	-	8,674	233,551	242,225	6,491	(3,215)	379,219	382,495
Other gains (loss)	-	(3,549)	(75,944)	(79,493)	(26,382)	4,099	-	(22,283)
Share of loss of associates and joint venture	(373,054)	-	-	(373,054)	(596,242)	-	(497,611)	(1,093,853)
Net loss	\$ (457,109)	\$ (17,234)	\$ (277,166)	\$ (751,509)	\$ (630,165)	\$ (185,164)	\$ (745,289)	\$ (1,560,618)
Assets	\$ 13,477,073	\$ 803,973	\$ 8,138,853	\$ 22,419,899	\$ 10,367,695	\$ 2,975,096	\$ 11,799,557	\$ 25,142,348
Liabilities		2,708	1,043,430	1,046,138	15,095	159,069	827,872	1,002,036
Capital expenditures			4,831	4,831	-	-	-	-

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16. Expenses by nature:

	Three months ended March 31, 2015	Three months ended March 31, 2014
Personnel costs	\$ 35,338	\$ 385,852
Stock-based compensation	80,476	18,551
Contracted services	134,673	149,198
Professional fees	79,465	67,217
Advertising and investor relations	50,433	60,328
Travel and transportation	71,426	65,483
Rent	31,715	24,348
Insurance	24,691	25,208
Taxes and licenses	30,527	24,912
Utilities	7,878	5,946
Materials and supplies	12,239	3,011
Freight	587	663
Others	4,109	3,251
Total administrative and general costs	\$ 563,557	\$ 833,968

17. Changes in working capital:

	Three months ended March 31, 2015	Three months ended March 31, 2014
Accounts receivable	\$ 107,940	\$ 212,740
Prepaid expenses	(9)	40,662
Trade accounts payables and accrued liabilities	(30,766)	(1,441,748)
Due to related parties	(220,948)	35,576
	\$ (143,783)	\$ (1,152,770)

18. Foreign exchange gain:

	Three months ended March 31, 2015	Three months ended March 31, 2014
Unrealized foreign exchange gain	\$ 229,402	\$ 233,213
Realized foreign exchange gain	12,823	149,282
	\$ 242,225	\$ 382,495

The unrealized foreign exchange gain during the period ended March 31, 2015 and 2014 include the gains on the revaluation of USD-denominated short-term deposits and accounts receivable, respectively. The realized foreign exchange gain during the period ended March 31, 2014 is attributable to the settlement of intercompany payables.

19. Commitment:

The Company has entered into a lease contract with respect to its corporate office premises that is to commence April 1, 2015. The lease is for a three-year term through to March 31, 2018, and the total rent payments up to the end of the lease contract in March 2018 amounts to \$179,177, inclusive of base rent, estimated operating expense and taxes.

20. Subsequent events:

The Company entered into a second Capital Promissory Note Agreement on April 27, 2015, with Foyson through which it provided a further A\$100,000 that shall accrue interest at 12% per annum until the earlier of conversion date or maturity date. The maturity date is the earlier of September 30, 2015 or the business day immediately following a shareholders' meeting to be held by Foyson to approve the conversion rights and. The note may be converted at a conversion price of A\$0.0029 to Foyson shares, at which time one option per share would also be received that may be exercised at a conversion price of A\$0.008 at any time through to their expiry date on December 31, 2019. As indicated, the conversion feature is subject to shareholder approval that is expected to be received at an Extraordinary General Meeting through July 2015. If shareholder approval is not obtained, the Notes remain as a promissory note and the holder will be repaid all principal and interest (at the default rate of 18% per annum) on the maturity date.

Further to Foyson shareholder approval on March 31, 2015, the Conversion Agreement related to the A\$400,000 loan (Note 6), A\$211,528 of the loan was converted to Foyson shares on April 22, 2015, resulting in a further 84,611,264 shares provided to the Company, bringing the total Foyson shares held by the Company to 295,468,407, representing a 26.01% equity interest in Foyson. An additional 84,611,264 unlisted options were also received at time of conversion that have an exercise price of A\$0.008 and expiry date of December 31, 2019.

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